GreymatterFinch

Dear reader

As the year winds down and summer holidays beckon, we would all do well to heed this warning contained in an obscure spoken-word song that was a hit in 1997: “Trust me on the sunscreen”.

Back then, “global warming” was a little-known concept. A quarter century later, climate action failure has been ranked the number one long-term threat to the world by respondents in the 2021–2022 Global Risks Perception Survey.

But amid the many dark clouds, a few silver linings have also been appearing lately – with increasing convergence in the world of reporting being one of the brightest.

From the first King Report on corporate governance in 1994 and the Integrated Reporting Framework in 2013, reporting has been a river sensing the sea. And now all the various actors – standard setters, regulators, governments, companies and investors – are coming together to start a new act.

Celebrating that momentum is the theme of this newsletter, our final one for the year. Because good reporting is not only good for business, it’s good for all of humanity.

Now, it’s true that corporate reports don’t make bestseller lists, but they do matter. “Get the reporting right and sustainability will follow,” the World Economic Forum said earlier this year.

The challenge is that companies have been able to pick and choose from several disclosure standards and they have been able to interpret them in a variety of ways.

According to the International Trade Centre, more than 2 500 standards and related initiatives in corporate sustainability and responsible business conduct are in use globally. Thankfully, though, convergence is now happening fast.

In 2020, two statements of intent to develop unified sustainability standards stood out – one by the European Union (EU) and one by the International Financial Reporting Standards (IFRS) Foundation.

Last year and throughout 2022, the two groupings forged ahead with developing their own sets of standards, which are now nearing completion.

In November, the European Financial Reporting Advisory Group (EFRAG) reached an agreement on the first set of draft European Sustainability Reporting Standards (ESRS), which the European Commission aims to adopt by June 2023.

And the IFRS Foundation’s International Sustainability Board (ISSB) said it was making good progress towards a global baseline of sustainability-related financial disclosures, and would be supporting preparers, investors and other capital market stakeholders as they get ready to use the IFRS Sustainability Disclosure Standards, also due to kick in next year.

Fortunately, they are talking to each other.

At COP27 in Egypt last month, it was announced that EFRAG and the ISSB are “working together towards a shared objective to agree as soon as practicable on a framework for maximising interoperability of their standards and aligning on key climate disclosures.”

Importantly, both initiatives feature alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which reflects universal agreement on the threat posed by global warming.

For us in South Africa, there is a third initiative to take note of, and that is the pair of disclosure guidance documents issued by the JSE in June – one on sustainability, the other on climate change. These are not intended to replace global initiatives but are aligned with the most influential ones, including the TCFD recommendations.

At last, the big players seem to be seizing what has been called a once-in-a-lifetime opportunity to consolidate reporting standards.

And the momentum is being provided by the urgent need to address the climate emergency. So, Baz Luhrmann was right after all when he said, “Trust me on the sunscreen.”

How we help clients get their reporting right

The same song also contained the warning, “Be careful whose advice you buy.” At GreymatterFinch we fiercely guard our reputation as trusted experts in the services that we provide to our clients.

We invest time to build robust knowledge of the latest requirements and our clients’ industries. Clients leverage this expertise to ensure they meet their stakeholders’ information needs – whether with integrated, sustainability, social value or any other kind of report or communication.

We believe each company has a unique story to be told in a way that stakeholders can understand, using a medium that is accessible. We use our in-house skills, such as research insights, content crafting, creative design, accurate typesetting and coding, and meticulous project management to deliver impactful communication in an effective manner.

Thank you

A big thank you to all our clients for your ongoing support over the past year. We believe that stakeholder trust is earned through consistent, quality service and good communication. Thanks for trusting us to tell your story.

Enjoy the holidays, be safe and may you return full of energy for the challenges and opportunities that no doubt lie in store for all of us next year.

News in focus

Three ways business can take action in the fight against climate change – WEF

The climate crisis requires urgent global action on mitigation and adaptation. A shared agenda to rally action on 30 adaptation goals was launched at COP27. Here are three key actions business can take to help tackle climate change.

Corporate climate pledges rife with greenwashing, says UN – Reuters

Promises by companies, banks and cities to achieve net-zero emissions often amount to little more than greenwashing, experts said in a report released at COP27 in Egypt as they set out proposed new standards to harden net-zero claims.

Companies on the emissions radar – Reuters

Corporations are coming under the glare of climate activists and policymakers after speeches at the COP27 climate summit called on companies to pay a global carbon tax.

‘Fossil fuels are a dead end’, says climate adviser – UN News Service

To prevent the worst impacts of the climate crisis, the world must abandon fossil fuels as quickly as possible, says Selwin Hart, Special Adviser to the UN Secretary-General on Climate Action.

TNFD launches latest framework for nature-related financial disclosure – edie

The Taskforce on Nature-related Financial Disclosures (TNFD) has issued the latest amendments to its beta framework to enhance corporate approaches to disclosing nature-related data for investors, ahead of an official launch next year. The TNFD complements the TCFD, which is gaining popularity amongst corporates and financial markets in outlining the economic risks associated with the climate crisis.

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